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PROGRAMME AND BUDGET

Note by the secretariat

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* ICCD/COP(4)/1.

I. INTRODUCTION

A. Mandate

1. Rule 10(d) of the rules of procedure of the Conference of the Parties (ICCD/COP(1)11/Add.1) provides that the provisional agenda for each ordinary session of the Conference of the Parties (COP) shall include, as appropriate, the proposed budget as well as all questions pertaining to the accounts and financial arrangements.

2. By its decision 3/COP.3, the Conference of the Parties requested the Executive Secretary to report at its fourth session on the need for, feasibility of, and modalities for regional coordination units and the costs involved with a view to enabling the Conference of the Parties to take a decision on the issue. Further, the Executive Secretary was requested to report to the Conference of the Parties at its fourth session on the financial performance of the Convention budget and to submit proposals on how the budgeting and reporting process could be improved, taking into account the developments and practices in the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity and any other relevant intergovernmental organizations, and to propose any adjustments which might be needed for the biennium 2000-2001.

B. Scope of the report

3. This document and its addenda address the requests of the third session of the Conference of Parties as outlined above. The addenda are organized as follows:

1.	ICCD/COP(4)/2/Add.1	Programme and budget: Need for, modalities for, costs involved and feasibility of the regional coordination units
2.	ICCD/COP(4)/2/Add.2	Programme and budget: Proposal on the ways of improving the budgeting and reporting process
3.	ICCD/COP(4)/2/Add.3	Programme and budget: Performance report of the Convention's trust funds in 1999
4.	ICCD/COP(4)/2/Add.4	Programme and budget: Report on the performance of the trust fund for supplementary activities in 1999
5.	ICCD/COP(4)/2/Add.5	Programme and budget: Audited financial statements for the Convention's trust funds in 1999: report of the United Nations Board of Auditors
6.	ICCD/COP(4)/2/Add.6	Programme and budget: Performance report of the Convention's trust funds for the biennium 2000-2001 as of 30 June 2000 and current administrative arrangements with the United Nations
7.	ICCD/COP(4)/2/Add.7	Programme and budget: Report on the performance of the trust fund for supplementary activities in the biennium 2000-2001 as of 30 June 2000
8.	ICCD/COP(4)/2/Add.8	Programme and budget: Report on the status of contributions to the Convention's trust funds for the biennium 2000-2001 as of 30 November 2000

II. REGIONAL COORDINATION UNITS

4. The affected developing country Parties of Latin America and the Caribbean, Africa and Asia have deemed it necessary to put in place adequate regional facilities, which would help them in their efforts to develop and implement their regional action programmes. To this end the secretariat has been asked to facilitate the establishment of these regional coordination units with the support of interested partners. Consequently, the necessary arrangements have been made to house the regional coordination units at the United Nations Environment Programme regional office (UNEP/ROLAC) in Mexico, the African Development Bank in Abidjan, Côte d'Ivoire and the United Nations Economic and Social Commission for Asia and the Pacific in Bangkok, respectively.

5. At the request of the country Parties concerned, the secretariat has been mobilizing supplementary funds from partners for the functioning of the regional coordination units. So far UNEP, the World Meteorological Organization (WMO), the Organization of African Unity (OAU) and relevant African subregional organizations (UMA, CILSS and ECOWAS) have confirmed their readiness to contribute towards the activities as well as the functioning of the units.

6. However the sustainability of the regional coordination units will be achieved only if a regular source of funding is guaranteed. It is estimated that an amount of US$420,211 will be required on an annual basis to cover the operational costs, which include staff salaries of the three units. It should be noted that the substantive activities of the units will continue to be supported through supplementary funding. It is anticipated that this arrangement will allow for improved efficiency and capacity to respond to the needs of the affected countries of the regions concerned.

Possible action by the COP

7. At its fourth session, the Conference of the Parties may wish to take the necessary measures to cover the operational costs of the regional coordination units. Estimated resource requirements for this purpose from the core budget in 2001 is US$420,211.

III. PROPOSALS ON IMPROVING THE BUDGETING AND REPORTING

8. The secretariat has prepared a report which gives a brief overview of the budgeting and reporting processes in the UNFCCC, UNCBD, UNDP, UNFPA and in the United Nations. Proposals on how budgeting and reporting process could be improved in the UNCCD are also included. Three options for the preparation of the next biennial budget have been identified and are submitted for consideration.

9. The performance report on 1999 and interim performance report on 2000, submitted to the COP 4 are presented as examples of this improvement. They combine programme-based reporting with elements of results-based reporting. Both reports provide a clear distinction between the utilization of the core and the supplementary funds.

Possible action by the COP

10. If the performance reporting is meant to cover the main activities and results, the Conference of the Parties may wish to consider combining the current document on performance reports and the implementation reports from the year 2001 onwards.

IV. PERFORMANCE REPORTS

11. Document ICCD/COP(4)/2/Add.3 summarizes the financial performance on all Convention Trust Funds for 1999, providing information on the performance level, as well as on programme implementation and results achieved. Additional information is provided in ICCD/COP(4)/2/Add.4 on the activities supported by supplementary funds. It gives a brief description of the activities facilitated by the secretariat, the results achieved and the statement of expenditures.

12. An interim report on the financial performance of all Convention Trust Funds for 2000 is also being submitted to the Conference of the Parties. The interim report presents the expenditures as of 30 June 2000 and the estimated income and expenditures to 31 December 2000. The activities to be undertaken during the last six months of 2000 are briefly described and presented with estimated expenditures and expected results.

13. It is important to note that more funding is being sought in the year 2001 in order to provide the required support to the Conference of the Parties and its subsidiary bodies as well as to strengthen the human resource capacities of the Global Mechanism and the secretariat.

Possible action by the COP

14. The Conference of the Parties is being requested to approve an additional US$1,186,000 for the requirements noted above.

V. ADMINISTRATIVE ARRANGEMENTS

15. Pursuant to General Assembly resolution 52/198 of 18 December 1997, which endorsed the institutional linkage between the Convention and the United Nations Secretariat, the Secretary-General of the United Nations made a proposal to institute a transitional arrangements for administrative support to the secretariat of the United Nations Convention to Combat Desertification (UNCCD) for 1999-2000. This proposal was accepted by the Conference of the Parties at its first session (decision 3/COP.1).

16. Since the permanent secretariat of UNCCD relocated from Geneva to Bonn at the beginning of 1999 it has continued to take on more administrative and financial functions previously performed by UNOG in order to improve efficiency and effectiveness in responding to the needs of the secretariat. In order to cope with the increased level of responsibility, the secretariat intends to continue to negotiate on an increased proportion of resources from the 13 per cent programme support to the UNCCD for strengthening the administrative services. The secretariat has also started negotiations with the United Nations Framework Convention on Climate Change (UNFCCC) to establish joint administrative services in Bonn.

17. If the COP agrees to this action, the Executive Secretary will continue discussions with the UNFCCC and United Nations Headquarters on modalities for administration and for effecting an equitable sharing of the resources from the 13 per cent Programme Support Cost paid to the United Nations on all expenditures of conventions trust funds.

VI. AUDITORS' REPORTS

18. The report of the United Nations Board of Auditors, containing the audited financial statements of the Convention Trust Funds in 1999 will be submitted *in extenso* to the COP 4. The document contains two parts: Part A includes the audited financial statements of the Convention Trust Funds in 1999 managed by the secretariat, and Part B includes the audited financial statements on the funds managed by the Global Mechanism.

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